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SENATE BILL 749

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO CAPITAL PROJECTS; ENACTING THE CAPITAL PROJECTS ACT; CREATING THE CAPITAL PROJECTS COUNCIL; PROVIDING PROCEDURES FOR EVALUATING AND PRIORITIZING PROPOSED CAPITAL PROJECTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Capital Projects Act".

Section 2. FINDINGS AND PURPOSE.--

A. The legislature finds that:

(1) the cost of needed state and local capital improvement and infrastructure projects annually exceeds the available funding resources;

(2) it has become difficult to adequately evaluate and prioritize proposed capital outlay projects to

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1 ensure that the available resources are expended in the most  
2 cost-effective manner; and

3 (3) the current system for evaluating and  
4 prioritizing proposed capital outlay projects could be improved  
5 by delegating those functions to a coordinating council.

6 B. The purpose of the Capital Projects Act is to  
7 create a council of experts to evaluate and prioritize proposed  
8 statewide and local capital outlay projects and to monitor and  
9 oversee projects authorized by the legislature to ensure that  
10 appropriations are expended in the most cost-effective manner.

11 Section 3. DEFINITIONS.--As used in the Capital Projects  
12 Act:

13 A. "capital project" means repair, renovation or  
14 construction of a facility; purchase of land; acquisition of  
15 capital equipment of a long-term nature; and repair, renovation  
16 or construction of roads and water and wastewater systems; and

17 B. "council" means the capital projects council.

18 Section 4. CAPITAL PROJECTS COUNCIL--CREATION--  
19 APPOINTMENT.--

20 A. The "capital projects council" is created. The  
21 council shall consist of the following members:

22 (1) six members appointed by the governor, who  
23 may be cabinet secretaries or public members;

24 (2) the state engineer or the state engineer's  
25 designee;

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1 (3) the secretary of higher education or the  
2 secretary's designee;

3 (4) the executive director of the New Mexico  
4 municipal league or the executive director's designee;

5 (5) the executive director of the New Mexico  
6 association of counties or the executive director's designee;

7 (6) the executive director of the New Mexico  
8 finance authority or the executive director's designee; and

9 (7) one member, appointed by the governor,  
10 representing Indian nations, tribes and pueblos.

11 B. The members appointed by the governor serve at  
12 the pleasure of the governor. If the governor appoints public  
13 members, they must have expertise in capital financing,  
14 planning or construction.

15 C. The council shall elect a chair and such other  
16 officers that it deems necessary. The council shall meet at  
17 the call of the chair, not less than quarterly. Public members  
18 of the council may receive per diem and mileage pursuant to the  
19 Per Diem and Mileage Act.

20 Section 5. CAPITAL PROJECTS COUNCIL--POWERS--DUTIES.--

21 A. The council may:

22 (1) subject to legislative appropriation,  
23 appoint and employ such professional, technical and clerical  
24 assistance as it deems necessary to carry out the provisions of  
25 the Capital Projects Act;

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1 (2) enter into those contracts necessary to  
2 carry out the provisions of the Capital Projects Act;

3 (3) conduct research and studies to improve  
4 the planning and prioritizing of capital projects and the  
5 allocation of available resources;

6 (4) apply for and receive grants and accept  
7 gifts, donations, bequests and devises in the name of the state  
8 to carry out the provisions of the Capital Projects Act;

9 (5) appoint such committees and subcommittees  
10 as necessary to perform its duties; and

11 (6) adopt rules necessary to carry out the  
12 provisions of the Capital Projects Act.

13 B. The council shall:

14 (1) prepare an annual operating budget for  
15 submission to the legislature;

16 (2) after July 1, 2008, accept proposals for  
17 capital projects, prioritize the proposals and, by December 1,  
18 2008 and each year thereafter, make recommendations to the  
19 legislature for funding the prioritized projects;

20 (3) coordinate all planning, oversight,  
21 monitoring and reporting functions of state government  
22 regarding capital projects authorized by law. All agencies,  
23 institutions, instrumentalities and political subdivisions of  
24 the state shall assist the council in complying with this  
25 requirement. The provisions of this paragraph do not apply to:

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1 (a) capital projects funded pursuant to  
2 the Public School Capital Outlay Act;

3 (b) capital improvements funded pursuant  
4 to the Public School Capital Improvements Act; and

5 (c) capital projects authorized by  
6 legislation enacted after July 1, 2008 that specifically  
7 exclude the capital project from the provisions of the Capital  
8 Projects Act;

9 (4) develop criteria and procedures for  
10 evaluating and prioritizing proposals for capital projects; and

11 (5) develop such reporting requirements for  
12 capital projects as necessary to ensure that the projects are  
13 being implemented in a cost-effective manner and consistent  
14 with the original purpose of the legislation providing for the  
15 project.

16 Section 6. CAPITAL PROJECTS PRIORITIZATION.--

17 A. After July 1, 2008, any agency, political  
18 subdivision, instrumentality or institution of the state may  
19 submit a proposal for a capital project to the council. Each  
20 proposal shall contain:

21 (1) a detailed description of the proposed  
22 project;

23 (2) an explanation of the need for the  
24 proposed project;

25 (3) a description of the prime beneficiaries

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1 of the proposed project;

2 (4) the estimated total cost of the proposed  
3 project and an explanation of how the cost was derived;

4 (5) the amount and source of any other  
5 funding;

6 (6) an explanation of how the project will be  
7 implemented and maintained and the amount and source of  
8 estimated implementation and maintenance costs; and

9 (7) any other information required by rule of  
10 the council.

11 B. Upon receipt of a proposal, the council shall  
12 investigate the statements and facts contained in the proposal  
13 and shall conduct such site visits and hearings as it deems  
14 necessary. The council shall consider all proposals and, after  
15 a public hearing, shall list all proposals in order of  
16 priority.

17 Section 7. TEMPORARY PROVISION.--During fiscal year 2008,  
18 the capital projects council shall organize and perform its  
19 duties pursuant to the Capital Projects Act; except that the  
20 council shall not accept and prioritize proposals and make  
21 recommendations to the legislature until after July 1, 2008.  
22 The council shall submit to the second session of the forty-  
23 eighth legislature the criteria and procedures for evaluating  
24 and prioritizing proposals and the reporting requirements  
25 developed pursuant to the Capital Projects Act together with

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1 any recommendations of the council for proposed legislation.

2 Section 8. EFFECTIVE DATE.--The effective date of the  
3 provisions of Sections 1 through 6 of this act is July 1, 2008.

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